

Message Text

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71

ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

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CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 /091 W

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R 161003Z SEP 76

FM AMEMBASSY MANAMA BAHRAIN

TO SECSTATE WASHINGTON DC 3502

INFO AMEMBASSY ABU DHABI UAE

USINT BAGHDAD IRAQ

AMEMBASSY DOHA QATAR

AMEMBASSY JIDDA SAUDI ARABIA

AMEMBASSY KUWAIT KUWAIT

AMEMBASSY MUSCAT OMAN

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E.O. 11652: N/A

TAGS : EFIN, BA, XX

SUBJECT : GULF INTERNATIONAL BANK

REF : A. KUWAIT 468

B. STATE A-7621 DATED DECEMBER 24, 1975 AND RELATED

1. AS CITIBANK WAS APPOINTED AS "ADVISORS" BUT NOT "MANAGERS" OF THE NEW GULF INTERNATIONAL BANK (GIB) IN MAY, WE NOW HAVE ACCESS TO CONSIDERABLY MORE INFORMATION REGARDING ITS OPERATIONS THAN HAD PREVIOUSLY BEEN THE CASE. THE GENERAL MANAGER OF CITIBANK, BAHRAIN, HAS BEEN THE MAIN ADVISOR TO THE GIB TO DATE BUT JUST THIS WEEK ALL THE DIRECTORS OF THE BANK HAVE AGREED TO CITIBANK'S RECOMMENDATION THAT IT HIRE A SENIOR EXPATRIATE TO ACT AS EXECUTIVE DIRECTOR. CITIBANK HAS FURTHER RECOMMENDED THAT FOR THE FIRST TWO YEARS OF ITS OPERATION, THE GIB FOCUS ON "MERCHANT" BANKING AND OPEN AN OFFICE IN LONDON IN ADDITION TO THE HEAD-QUARTERS IN BAHRAIN AND BRANCHES IN THE CAPITALS OF EACH OF THE

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OTHER SIX PARTICIPATING STATES (SAUDI ARABIA, KUWAIT, QATAR,

UNITED ARAB EMIRATES, IRAQ AND OMAN).

2. SINCE THERE WAS WASHINGTON INTEREST IN THE INTERNAL STRUCTURE OF THE GIB LAST YEAR (REF B), WE ARE PROVIDING THE FOLLOWING DETAILS AS BEING OF POSSIBLE INTEREST.

3. THE FORMAL OPENING OF THE MAIN OFFICE IN BAHRAIN WILL TAKE PLACE IN DECEMBER 1976 OR JANUARY 1977 IN TWO FLOORS OF A MAJOR OFFICE BUILDING IN THE MANAMA SUQ. THE TOP MANAGEMENT OF THE GIB CONSISTS OF DR. KHALID MOHAMMAD AL-FAYEZ, A SAUDI NATIONAL, WITH US EDUCATION (FLETCHER SCHOOL PHD) AS GENERAL MANAGER AND ABDUL MAJID AL-ANI, AN IRAQI NATIONAL AND FORMER NUMBER TWO IN RAFIDAIN BANK AS DEPUTY GENERAL MANAGER.

4. THE BOARD OF DIRECTORS CONSISTS OF THE FOLLOWING: (A) CHAIRMAN, SHAIKH ALI KHALIFA AL-SABAH, UNDER SECRETARY, MINISTRY OF FINANCE, KUWAIT; (B) VICE CHAIRMAN, ABDULLAH SAIF, DEPUTY DIRECTOR GENERAL, BAHRAIN MONETARY AGENCY; (C) JAUAN SALEM AL-ZAHERI, DEPUTY DIRECTOR OF GOVERNMENT ACCOUNTS, MINISTRY OF FINANCE, ABU DHABI; (D) ABDULLAH M. MAZRUI, FIRST DEPUTY GENERAL MANAGER, NATIONAL BANK OF ABU DHABI, ABU DHABI; (E) HASSAN A. FALAH, DIRECTOR OF STATE BUDGET, MINISTRY OF FINANCE, BAHRAIN; (F) SHAIKH KHALID M. AL-GOSAIBI, VICE GOVERNOR OF THE SAUDI ARABIAN MONETARY AGENCY, JIDDA; (G) AHMED ABDULLATIF, DIRECTOR GENERAL, FOREIGN DEPARTMENT, SAUDI ARABIAN MONETARY AGENCY; (H) HASSAN T.M. AL-NAJAFI, UNDER SECRETARY, MINISTRY OF FINANCE; IRAQ; (I) TAREK AL-KHATIB, DEPUTY GENERAL MANGER, RAFIDAIN BANK BAGHDAD; (J) MOHAMMAD, UNDER SECRETARY, FINANCIAL AFFAIRS, OMAN; (K) HAMOOD E. SOOMAR, DIRECTOR OF TREASURY, OMAN; (L) ABDULKADIR AL-QADE, DIRECTOR OF FINANCE, DOHA; (M) MAJED AL-MAJED, GENERAL MANAGER, QATAR MONETARY AGENCY; (N) ABDULWAHHAB ALI AL-TAMMAR, CHAIRMAN, KUWAIT FOREIGN TRADING, CONTRACTING AND INVESTMENT COMPANY.

5. THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS IS COMPOSED OF AL-SABAH, SAIF, AL-ZAHERI, AL-NAJAFI, AL-GOSAIBI, SOOMAR AND AL-MAJED. OF THESE, ACCORDING TO CITIBANK, THE SAUDI, IRAQI AND KUWAITI DOMINATE THE PROCEEDINGS AND DECISION-MAKING (WHICH HAS BEEN SLOW AND CONTENTIOUS).

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6. AS OF SEPT., TWENTY EIGHT MILLION BAHRAINI DINARS HAVE BEEN PAID UP IN CAPITAL (EACH OF THE SEVEN PARTICIPATING STATES HAVING FOUR MILLION BD SHARES). ONCE THE GIB OFFICIALLY OPENS ITS DOORS, CITIBANK EXPECTS IT WILL "IMMEDIATELY" HAVE AT LEAST ONE BILLION DOLLARS IN DEPOSITS BY THE SEVEN STATES.

BURLEIGH

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